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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

U.S. DISTRICT COURT
EASTERN DISTRICT OF NEW YORK
LONG ISLAND OFFICE

-----X Docket#
UNITED STATES OF AMERICA, : 18-CR-00607-JFB
: :
- versus - : U.S. Courthouse
: Central Islip, New York
KHWAJA, et al., :
Defendant : November 15, 2018
-----X

TRANSCRIPT OF CRIMINAL CAUSE FOR ARRAIGNMENT
BEFORE THE HONORABLE JOSEPH F. BIANCO
UNITED STATES DISTRICT JUDGE

A P P E A R A N C E S:

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Proceedings

1 THE CLERK: Calling Case 18-cr-607, United
2 States of America v. Khwaja.

3 Counsel, please state your appearance for the
4 record.

5 MR. RYAN: For the government, your Honor,
6 Burton Ryan.

7 MR. LAPINTA: Appearing for Enayatullah Khwaja,
8 Anthony LaPinta.

9 Good morning, your Honor.

10 THE COURT: Good afternoon, Mr. LaPinta.

11 MS. BARTLING: Good afternoon, your Honor.

12 Appearing for Abdulrahman Khwaja, Nancy
13 Bartling.

14 MR. OBEDIN: Good afternoon, your Honor.
15 Appearing for Shikeba Rhamatzada, Glenn Obedin.

16 THE COURT: Good afternoon, Mr. Obedin.

17 MR. NELSON: Good afternoon, your Honor.

18 Appearing on behalf of Rana Rahimi, Alan
19 Nelson.

20 THE COURT: Good afternoon, Mr. Nelson.

21 We have all four defendants present in the
22 courtroom. As you know, this case was assigned me
23 pursuant to the indictment that was returned by the grand
24 jury. I assume all four defendants were arrested earlier
25 today. Mr. Ryan, is that correct?

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1 MR. RYAN: That's correct, Judge.

2 THE COURT: Okay. Let me just advise them of
3 their rights.

4 I'm going to advise you of your rights, each of
5 the four defendants. You have the right to have the
6 charges that have been filed against you presented to you
7 and get a copy of it. That would be the indictment.

8 You have the right to retain counsel or if you
9 cannot afford counsel, one would be appointed to
10 represent you in the case. You also have the right to
11 have the circumstances, if any, under which you should be
12 released on bail be considered by the Court and you have
13 a right not to make a statement and any statement you
14 make can be used against you.

15 Do you understand that -- I'm just going to use
16 the first initial -- Mr. E. Khwaja?

17 DEFENDANT E. KHWAJA: Yes.

18 THE COURT: Mr. A. Khwaja?

19 DEFENDANT A. KHWAJA: Yes.

20 THE COURT: Ms. Rhamatzada?

21 DEFENDANT S. RHAMATZADA: Yes.

22 THE COURT: And Ms. Rahimi? You just have to
23 speak into the mic.

24 DEFENDANT R. RAHIMI: Yes.

25 THE COURT: Okay. So first I am going to deal

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1 with the issue of counsel. I have -- I think I have only
2 two financial affidavits before me but it appears I have
3 the one for A. Khwaja, as well as Rhamatzada, Ms.
4 Rhamatzada, but it appears they have significant assets
5 based upon the affidavit.

6 So let me just ask you, Mr. Obedin, is it her
7 intention to retain counsel? Is that -- what do you
8 understand to be her intention?

9 MR. OBEDIN: Well, your Honor, it's my
10 understanding that the family has retained counsel.

11 THE COURT: Oh, okay.

12 MR. OBEDIN: I spoke earlier this evening or
13 this afternoon with Noam Biale from Sher Tremonte who
14 informed me that he is retained --

15 THE COURT: Okay.

16 MR. OBEDIN: -- to represent my client but he
17 would like me to go forward with the arraignment and to
18 make a bail application.

19 THE COURT: Okay.

20 MR. OBEDIN: And so I am prepared to do that.

21 THE COURT: Okay.

22 MR. OBEDIN: However, I did not discuss the
23 waiver of time with him and I would be more comfortable
24 not waiving time and allowing him to make that decision
25 when he ultimately steps in which he told me could be as

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1 early as tomorrow if the Court wanted to put the case
2 back on for tomorrow.

3 THE COURT: Yes, I certainly -- especially if
4 you're not comfortable waiving time, to put it on for
5 tomorrow.

6 MR. OBEDIN: I think that would best.

7 THE COURT: Okay. But let me just ask your
8 client, are you -- Ms. Rhamatzada, as you heard, your
9 retained counsel is not available today. So I just want
10 to make sure you're okay with Mr. Obedin representing you
11 for today's proceeding.

12 DEFENDANT S. RHAMATZADA: Yes.

13 THE COURT: Okay. So I am going to appoint
14 you, Mr. Obedin, just for today, okay?

15 And Ms. Bartling, what's your understanding?

16 MS. BARTLING: Your Honor, I have not spoken to
17 any other attorney and my client indicated to me he would
18 like me to proceed as his counsel. He is authorized me
19 and agreed to have me proceed and with respect to that, I
20 will continue if the Court allows. I haven't not spoken
21 to anyone else, so at this point, it's not my belief that
22 he will be hiring additional counsel.

23 THE COURT: Yes. I mean, I will allow you to
24 certainly to represent him for purposes of today but, for
25 example, it says he has a \$900,000 home. So I don't know

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1 what the equity is in the home but he would have to give
2 me more information for me to appoint you for beyond
3 today, okay?

4 MS. BARTLING: Understood.

5 THE COURT: All right.

6 Mr. LaPinta, what's your understanding?

7 MR. LAPINTA: Your Honor, my client has advised
8 me of his desire to have me continue with his
9 representation. I'm not aware of whether he has filled
10 out a financial affidavit or not. I haven't spoken to
11 him regarding his finances or ability to retain counsel.
12 There's been no private lawyer that's been engaged or in
13 contact at this juncture and I am prepared to move
14 forward until otherwise directed by the Court.

15 THE COURT: Okay. Yes, again, similar to the
16 other counsel, I will appoint you for purposes of today's
17 proceeding. I would ask that you work with your client
18 to fill out the affidavit to see whether he would qualify
19 to have you be appointed or not, okay?

20 MR. LAPINTA: Yes.

21 THE COURT: All right.

22 And Mr. Nelson, what's your understanding?

23 MR. NELSON: Judge, I am in the position as Mr.
24 LaPinta is. I have spoken to my client, as well as her
25 husband. They would like me to proceed and represent

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1 them for purposes of today. I spoke with pretrial
2 services, and they were going to have an affidavit
3 prepared. I believe that a representative of pretrial
4 services just left to get the fee affidavit they have
5 prepared and I am prepared to proceed today with the
6 Court's permission on behalf --

7 THE COURT: But you believe that they will
8 qualify based upon your conversations or you don't know?

9 MR. NELSON: I'm not sure, Judge.

10 THE COURT: Okay.

11 MR. NELSON: I'm acquiring information
12 concerning the equity in their home for purposes of
13 potential bail application at a later time. I think
14 that's going to be the Court's decision.

15 THE COURT: All right. Okay. So I will also
16 appoint you, at least for purposes of today, until we
17 figure out the financial circumstances to represent Ms.
18 Rahimi.

19 In terms of what I thought we would do, I know
20 we we're waiting for some pretrial services report, for
21 any counsel who wished to make a bail application today,
22 obviously I will wait for the report and my understanding
23 from talking to my deputy is that would be at least -- is
24 it Mr. Nelson --

25 THE CLERK: Yes, Judge.

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1 THE COURT: Yes, Mr. Nelson, you don't plan on
2 making a bail application today, is that correct?

3 MR. NELSON: That's correct, your Honor.

4 THE COURT: All right. So we will proceed with
5 everything except the bail issues and Mr. Nelson, you
6 could even -- once we get through with you, you can
7 leave. You don't have to hang around for the bail
8 arguments if you don't want to. You're free to stay
9 obviously, if you wish. Okay?

10 MR. NELSON: Thank you, your Honor.

11 THE COURT: All right. So are each of the
12 clients prepared to be arraigned on the indictment?

13 MR. LAPINTA: Yes, your Honor.

14 MR. OBEDIN: Yes, your Honor.

15 MS. BARTLING: Yes.

16 MR. NELSON: Yes.

17 THE COURT: Okay. Mr. -- how do you pronounce
18 the first name?

19 DEFENDANT E. KHWAJA: [N-EYE-TOE-LA].

20 THE COURT: -- Enayatullah Khwaja, have you
21 received a copy of the indictment?

22 DEFENDANT E. KHWAJA: Yes.

23 THE COURT: Have you had time to review it and
24 discuss it with Mr. LaPinta for purposes of being
25 arraigned?

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1 DEFENDANT E. KHWAJA: Yes.

2 THE COURT: Do you waive the public reading of
3 the entire indictment?

4 DEFENDANT E. KHWAJA: Yes.

5 THE COURT: And how do you plead, guilty or not
6 guilty?

7 DEFENDANT E. KHWAJA: Not guilty.

8 THE COURT: All right. A not guilty plea has
9 been entered.

10 Mr. Abdulrahman Khwaja, have you received a
11 copy of the indictment?

12 DEFENDANT A. KHWAJA: Yes, sir.

13 THE COURT: Have you had time to discuss it and
14 review it with Ms. Bartling for purposes of your
15 arraignment?

16 DEFENDANT A. KHWAJA: Yes.

17 THE COURT: Do you waive the public reading of
18 the indictment?

19 DEFENDANT A. KHWAJA: Yes.

20 THE COURT: How do you plead, guilty or not
21 guilty?

22 DEFENDANT A. KHWAJA: Not guilty.

23 THE COURT: Okay. A not guilty plea has been
24 entered.

25 Ms. Rhamatzada, have you received a copy of the

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1 indictment?

2 DEFENDANT S. RHAMATZADA: Yes.

3 THE COURT: Have you had time to discuss it --
4 review and discuss it with Mr. Obedin for purposes of the
5 arraignment?

6 DEFENDANT S. RHAMATZADA: Yes.

7 THE COURT: Do you waive the public reading of
8 the indictment?

9 DEFENDANT S. RHAMATZADA: Yes.

10 THE COURT: How do you plead?

11 DEFENDANT S. RHAMATZADA: Not guilty.

12 THE COURT: Okay, a not guilty plea has been
13 entered.

14 And Ms. Rahimi, have you received a copy of the
15 indictment?

16 DEFENDANT R. RAHIMI: Yes.

17 THE COURT: Have you had time to discuss it
18 with Mr. Nelson and review it?

19 DEFENDANT R. RAHIMI: Yes.

20 THE COURT: Do you waive the public reading of
21 the indictment?

22 DEFENDANT R. RAHIMI: Yes.

23 THE COURT: How do you plead, guilty or not
24 guilty?

25 DEFENDANT R. RAHIMI: Not guilty.

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1 THE COURT: Okay. Ms. Rahimi has entered a not
2 guilty plea. Okay.

3 So why don't I hear from the government, not on
4 the issue of bail yet but in terms of just generally
5 moving forward.

6 MR. RYAN: Judge, two things; one, we believe
7 the case which involves months of electronic surveillance
8 of these defendants is a complex case. Not only is there
9 electronic surveillance, there's also a tremendous number
10 of bank records. There's at least 21 different bank
11 accounts that were seized today and the bank records go
12 back many years, as well as the execution of search
13 warrants that is ongoing as we speak of the businesses
14 and their bank records.

15 So we believe that the case should be declared
16 a complex case for Speedy Trial purposes. Also, we have
17 submitted to -- under separate cover to your Honor today,
18 an application for an order to unseal certain of the
19 defendants' electronic interception, so that we can serve
20 them and their attorneys with copies of the electronic
21 interceptions.

22 THE COURT: All right.

23 MR. RYAN: And so we intend to proceed
24 immediately to discovery, as soon as those issues are
25 addressed.

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1 THE COURT: Okay. Have you discussed with
2 defense counsel a date for the next status conference or
3 you didn't get that far?

4 MR. RYAN: I believe, Judge, that there was a
5 discussion originally of 30 days but when everyone
6 realized that new counsel would be coming in, I believe
7 that there was a date about 14 days out as a control date
8 that was selected while the issue of representation is
9 resolved.

10 THE COURT: All right. Is that November 30th
11 then? Is that what the date -- Michelle?

12 THE CLERK: Yes, November 30th.

13 THE COURT: Okay.

14 THE CLERK: It's the date, at 1 o'clock.

15 THE COURT: All right. In terms of the complex
16 case designation, I think I will hold off on that
17 designation until again, we figure out who the counsel is
18 going to be, make sure that they don't disagree with
19 that. I will, obviously, deal with the Speedy Trial
20 issue independent of that designation.

21 But let me start with Mr. Nelson, since you're
22 not making a bail application today, so what do you want
23 to do in terms of the next date, Mr. Nelson? Did you

24 MR. NELSON: Your Honor, I have discussed this
25 with my -- I have discussed the issue with my client and

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1 we are prepared to exclude Speedy Trial till November the
2 30th at 1 o'clock, which I understand is a convenient
3 time for the Court.

4 THE COURT: Okay. Have you executed the
5 waiver?

6 MR. NELSON: Yes, I have.

7 THE COURT: Okay. Do you have it?

8 THE CLERK: They must still have it. Does
9 defendant still have the waiver over there?

10 THE COURT: Just give me one second.

11 (Pause)

12 THE COURT: I now have all four pretrial
13 services reports. I am just reviewing them.

14 (Pause)

15 THE COURT: Okay. Ms. Rahimi, I just want to
16 make sure you understand what this form means. I am sure
17 Mr. Nelson has explained it to you. You heard -- he's
18 asking me to adjourn your case until November 30th. You
19 have a right to have a trial within 70 days of today
20 under the Speedy Trial Act.

21 However, you also have the right to ask that
22 that clock be stopped because you want to have time to
23 consider how you want to proceed with respect to the
24 case. I am trying to read the handwriting here in terms
25 of the reason.

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1 MR. NELSON: Your Honor, it would be to review
2 the discovery that's provided by the government.

3 THE COURT: Okay. I don't know what that says.

4 MR. NELSON: You wouldn't be the first person
5 to have difficulty reading my handwriting, your Honor.

6 THE COURT: Oh, does that say review of
7 discovery, is that what you wrote?

8 MR. NELSON: Yes.

9 THE COURT: Okay. Yeah, I could see that now.
10 Okay. I will leave it. So that will give -- the
11 government is going to give discovery or evidence in the
12 case to you and your attorney to start reviewing it, and
13 how you want to proceed with respect to the case.

14 Also, as I will discuss in a moment, your
15 lawyer is consenting to your detention without prejudice
16 to making a bail application. So even before November
17 30th, he can ask to come in and make a bail application
18 at your request.

19 But I want to make sure you understand by
20 signing this, you're agreeing to stop that clock until
21 November 30th, so that you and your lawyer can do those
22 things. Is that your wish?

23 DEFENDANT R. RAHIMI: Yes.

24 THE COURT: Okay. So I am going to -- and
25 obviously, we'll deal with this issue with the other

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1 three defendants if they don't agree to that next date
2 but I am going to put this defendant on for November 30th
3 at 1 p.m. There's only one Speedy Trial clock for the
4 case and again, I will deal with this issue in a moment
5 with the other defense counsel but for purposes of this
6 defendant, at least for now, I am excluding the time from
7 today until November 30th, under Title 18 USC Section
8 3161(h)(7)(A), in order to allow her and her counsel time
9 to obtain the discovery and review it and decide how they
10 wish to proceed with respect to the case.

11 I find that the ends of justice served by
12 granting the continuance outweigh the best interest of
13 both the public and the defendant in a speedier trial.

14 Actually, I am looking at the waiver now. I
15 see that other defendants have signed it as well. I am
16 just trying to -- Mr. Abdulrahman signed it, is that
17 correct, Ms. Bartling?

18 MS. BARTLING: That's correct.

19 THE COURT: Okay. And who is the defendant
20 number one's signature, I can't read --

21 MR. LAPINTA: I did, your Honor, yes.

22 THE COURT: Okay. So your client is willing to
23 agree to that, as well?

24 MR. LAPINTA: To the Speedy Trial waiver, yes.

25 THE COURT: Okay. So let me just --

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1 Enayatullah Khwaja and Abdulrahman Khwaja, you heard what
2 I just explained. It's the same thing for you, by
3 signing this waiver, you're agreeing to exclude the time
4 under the Speedy Trial Act until November 30th, so you
5 and your attorneys can obtain discovery and review it.

6 Is that your wish, Mr. Enayatullah Khwaja?

7 DEFENDANT E. KHWAJA: Yes.

8 THE COURT: And Mr. Abdulrahman Khwaja?

9 DEFENDANT A. KHWAJA: Yes.

10 THE COURT: Okay. So again, I am making the
11 same finding as with respect to them. And let me just
12 ask you, Mr. Obedin, what's your intention with respect
13 to this issue?

14 MR. OBEDIN: Yes, your Honor.

15 THE COURT: I guess we're going to put this on
16 for tomorrow --

17 MR. OBEDIN: Since I am only here for the
18 purpose of arraignment --

19 THE COURT: Right. Okay.

20 MR. OBEDIN: -- I really think it's in the best
21 interest of my client to speak with her retained attorney
22 tomorrow --

23 THE COURT: Okay.

24 MR. OBEDIN: -- and make that determination.

25 THE COURT: So what I am going to do is I am

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1 excluding the time -- as I said, there's only one clock
2 for the case as a whole, I am excluding it to the 30th,
3 subject obviously to new counsel coming in for Ms.
4 Rhamatzada and if there is an objection to that, I will
5 deal with it but for present purposes, I am excluding the
6 time from today for the entire case, all four defendants
7 who are present, until November 30th.

8 Under 3161(h)(7)(A), as respect to all of them,
9 I find that the ends of justice served by granting the
10 continuance outweigh the best interest of the public and
11 the defendants in a speedier trial, in order to resolve
12 these counsel issues, obtain the discovery and start
13 reviewing it. All right, so, I have signed the waiver
14 for the three defendants who signed it.

15 Okay. I have the government's detention letter
16 and you're seeking detention with respect to all four
17 defendants, both on risk of flight and danger to the
18 community, Mr. Ryan?

19 MR. RYAN: Judge, I believe that there is a
20 danger to the community and risk of flight for all four
21 defendants, though I believe the primary danger is by the
22 organizers of the -- and the operators of the scheme, the
23 two cousins, Khwaja. I believe that --

24 THE COURT: Okay. Hold on. I just want to
25 deal with Mr. Nelson first.

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1 MR. RYAN: Oh, Mr. Nelson's --

2 THE COURT: I just wanted to confirm, you're
3 seeking detention for all four?

4 MR. RYAN: I seek the detention of all four,
5 Judge.

6 THE COURT: On both grounds?

7 MR. RYAN: On both grounds.

8 THE COURT: Okay. So Mr. Nelson, I just want
9 to confirm as you said earlier, you're consenting to
10 detention without prejudice to reopening the bail hearing
11 at any time?

12 MR. NELSON: That's correct, your Honor.

13 THE COURT: Okay.

14 MR. NELSON: I do anticipate having a bail
15 package to present to the Court by November the 30th, if
16 not earlier but at the present time, we'll consent to the
17 entry of a permanent order of detention without
18 prejudice.

19 THE COURT: Okay. Based upon the indictment
20 and the government's letter, as well as the other
21 information I have in the pretrial services report, at
22 this juncture, on consent, I am detaining Ms. Rahimi as a
23 danger and on risk of flight without prejudice to a
24 future bail application on November 30th or sooner and
25 then obviously, it will be a de novo review. Okay? All

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1 right.

2 So now then do you want to address then the
3 issue of detention with regard to the other three
4 defendants?

5 MR. RYAN: Yes, Judge. I believe pretrial
6 services has submitted the reports for the other three
7 defendants.

8 THE COURT: Yes, I have them but if you want to
9 say anything else orally beyond your letter --

10 MR. RYAN: Judge, I believe it's unnecessary to
11 say anything beyond the letter at this point. If there's
12 any specific issues raised by defense counsel in
13 argument, I will just address them in response.

14 THE COURT: Whoever wants to go first -- Mr.
15 LaPinta, do you want to go first?

16 MR. LAPINTA: Yes, your Honor. Your Honor,
17 before I begin, please note that in court, the support of
18 my client is his wife of 18 years, his two sisters and
19 his brother-in-law.

20 As you note from the pretrial report, my client
21 is 44 years of age. He's a citizen of the United States,
22 having been naturalized in 1996. His parents are
23 residents of Long Island, as are his two sisters, as well
24 and his brother.

25 The family has been residing in Nassau County

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1 since they came to the United States back in the early
2 '80s when my client was a young boy. He's been here now
3 since the age, I believe of 10.

4 He's gainfully employed. He's the sole
5 financial supporter of his family. He has three
6 children, ages 19, 18 and 13. Most notably, his youngest
7 child, his daughter, has autism and autism spectrum,
8 apraxia is the name of the condition that she suffers
9 from and she requires constant attention and support,
10 both emotionally and physically.

11 Most of his family, as I said, resides in this
12 area. He does have a prior conviction, although I would
13 say misdemeanor, damage of property conviction where he
14 successfully completed three years of probation in Nassau
15 County. He has no history at all of alcohol abuse or
16 drug abuse or mental health treatment.

17 While his wife does work, it's a part-time
18 position in Bloomingdale's in the Huntington Mall.

19 We are prepared with the benefit of having his
20 family owning property, the indictment does list the
21 forfeiture of all of the -- my client's properties, his
22 residence, his investment properties, all of his bank
23 accounts.

24 However, his family members not related to this
25 indictment are prepared to post their properties and we

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1 are prepared after my doing investigation and speaking
2 with his family members, we are prepared to post \$2.5
3 million in a secured bond, secured by my client's
4 parent's property located in Glen Head, Nassau County.

5 There are other properties that we are prepared
6 to post as well, up to an amount of \$4.5 million.

7 In addition to that secured bond, we are
8 willing to surrender the passport that I believe that was
9 seized today by the authorities when they executed the
10 search warrant. We are, of course, willing to limit our
11 travel restrictions to the Metropolitan area, Eastern
12 District, Southern District and report to pretrial
13 services at the Court's discretion.

14 I understand pretrial is recommending that no
15 bail conditions can satisfy their concern of a risk of
16 flight. If the Court is impressed with that, I would ask
17 that you consider a home confinement situation that would
18 enable him to at least be with his family and provide
19 support, both financially and emotionally during this
20 difficult time.

21 What I will say in reference to the
22 government's submission, is that no matter how you dice
23 this case, it's a nonviolent crime, it's a financial
24 crime, it seems as though from my reading of it, they're
25 trying to bootstrap narcotics distribution and kind of

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1 making a quasi-presumption case but my argument is is
2 that if it was so closely related to the sale and
3 distribution of narcotics overseas, there would be a
4 charge of conspiracy to distribute narcotics that would
5 be part of this indictment and it is clearly not.

6 So what is presented before the Court are, I
7 was going to say simple financial crimes, simple but yet
8 complicated financial crimes that are nonviolent in
9 nature that are deserving of a bail package and in light
10 of my client's contacts with the community, and his
11 willingness to obey by numerous imposed conditions that
12 the Court has satisfied, I believe we've presented an
13 overwhelming package that would assure the Court of his
14 presence in court.

15 THE COURT: Well, let me just ask you a couple
16 of questions before I hear from Mr. Ryan, if he wants to
17 respond. The government's letter talked about him being
18 -- having permanent residency status, as well in Saudi
19 Arabia. I don't see that in the pretrial services
20 report. So I don't -- is he disputing that or --

21 MR. LAPINTA: Is that to me or the government?
22 I'm sorry.

23 THE COURT: No, I am asking you whether --

24 MR. LAPINTA: He does have a residence visa for
25 that country, yes.

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1 THE COURT: And they also represent obviously
2 that the import-export business operates out of Saudi
3 Arabia, is that accurate or not accurate?

4 MR. LAPINTA: Well, he does business in Saudi
5 -- has done business in Saudi Arabia but in speaking to
6 my client, he is able to function and operate his
7 business from his home without traveling.

8 THE COURT: I'm not focused on whether -- I
9 understand he spends, even though he does foreign travel,
10 that he spends his time in the United States but if the
11 company operates out of Saudi Arabia, that's obviously
12 significant. so I don't know whether he disputes that or
13 not.

14 MR. LAPINTA: Let me just clarify.
15 (Counsel and client confer)

16 THE COURT: I think I read that in the
17 government's letter, is that --

18 MR. RYAN: Yes, Judge. The evidence that we
19 have is that they operate a business in Saudi Arabia.

20 THE COURT: What's the name of the business?

21 MR. RYAN: It's -- they're in imports and
22 exports, it involves toys, it involves distribution of
23 electronics and I is a company that he has gone to Saudi
24 Arabia a number of times to supervise and operate.

25 MR. LAPINTA: I speaking to my client, your

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1 Honor, he is willing, as a condition of bail, to forgo
2 any of his interest in that property or involvement in
3 that aspect of his businesses, understanding your concern
4 of his ties to that country and the allegations contained
5 in the indictment and however way we could do that and
6 assure the Court that he is not operating a business out
7 of that country, we'll do that.

8 THE COURT: Before I hear from Mr. Ryan, the
9 only other -- you made a point about that this is not a
10 narcotics case but in terms of the type of proof that the
11 government has, that he is operating a money laundering
12 business that's funneling narcotics proceeds, one of the
13 things that they rely upon is in their letter and I know
14 you don't have the discovery yet but it seems to be very
15 direct where they say an undercover posing as a drug
16 dealer met in a hotel parking lot and that the defendant
17 received bulk currency from the undercover, purporting to
18 be illegal drug sales. Is that accurate, Mr. Ryan?

19 MR. RYAN: That's correct, Judge.

20 THE COURT: So that's not like an indirect
21 theory.

22 MR. LAPINTA: Well, what is confusing to me is
23 that as I see it and as I read it, that seems to be part
24 of the conspiracy of drug dealing.

25 THE COURT: Yeah.

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1 MR. LAPINTA: Why isn't he charged with that?

2 THE COURT: I don't know the answer to that
3 but --

4 MR. LAPINTA: If it was a noteworthy act that
5 in furtherance of narcotics distribution, in my
6 experience with the United States Attorney's Office, they
7 would charge that and then you would be presented with a
8 presumption case regarding bail and you're not.

9 THE COURT: All right. Let me hear from Mr.
10 Ryan. Mr. Ryan, you can respond to anything Mr. LaPinta
11 has said.

12 MR. RYAN: Judge, as the defendant has been
13 involved in multiple instances of receiving bulk cash and
14 using it to funnel monies to Paraguay and other places
15 where the source of the drug dealers are generally
16 operating out of in the tri-border area between
17 Argentina, Brazil and Paraguay, an undercover Homeland
18 Securities agent did provide cash that it was represented
19 to the defendant to be the proceeds of drug dealing that
20 was then transported in the cash delivered to an
21 individual purporting to be a drug dealer in Paraguay.

22 There are -- in the conspiracy, there are at
23 least 13 undercover operations in which Homeland Security
24 or the DEA were instructed by drug dealers when the DEA
25 undercovers were acting as money launderers to transmit

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1 the money they received to the Khwaja companies and
2 that's the nature of the way they operate. It's a trade-
3 based operation in which they use cheap phones as a
4 method of transporting value from the United States to
5 South America.

6 They also directed transport currency at times
7 to South America or to their brokers in the tri-border
8 area. There's extensive evidence of this, not only from
9 a number of months of wiretaps but also the defendant's
10 phones were examined by Customs agents at various times
11 at border crossing. WhatsApp applications were found on
12 the defendants' phone transmitting money and arranging
13 for the delivery of cash and many of these individuals
14 have been identified directly as involved in the drug
15 trade, or in other criminal organizations both in South
16 America and here in the United States.

17 THE COURT: All right. Based upon my review of
18 the indictment, and the government's letter, as well as
19 my review of the pretrial services report, the Court is
20 -- and obviously I have heard the arguments today, I am
21 detaining Enayatullah Khwaja. I found the government has
22 met its burden both on the issue of risk of flight, by a
23 preponderance of the evidence and at least based upon the
24 indictment and the proffer of the government on the issue
25 of danger -- by clear and convincing evidence with

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1 respect to danger to the community, that detention is
2 warranted on both grounds.

3 The reasons are as follows, just addressing the
4 bail factors and I have considered all of them, I'm going
5 to focus on what I think is the most significant here.
6 Although the defendant has ties to the United States,
7 significant ties as Mr. LaPinta outlined, he also has
8 significant ties overseas. He has some type of residency
9 status in Saudi Arabia. He has a business that operates
10 in Saudi Arabia and certainly would have a place to go if
11 he wished to flee, could go to Saudi Arabia or another
12 country for that matter.

13 With respect to incentives to flee here, I
14 think they are overwhelming. The government has outlined
15 in the indictment and in their detention letter, a vast
16 massive money laundering operation, operating largely
17 with money being funneled outside the United States to
18 South America over a five-year period through an import-
19 export business. They proffer in their letter, which the
20 Court can accept in its discretion for purposes of the
21 bail hearing today, that this defendant structured over
22 \$3 million in bank accounts, over \$32 million pass
23 through third-party transactions and it is clear that he
24 -- there's millions and millions and millions of dollars
25 that has flowed through bank accounts and companies based

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1 upon the nature of the scheme that's alleged, as
2 supplemented by the government's proffer.

3 so it appears based upon at least the charges
4 and the proffer that he has access to large quantities of
5 cash, millions of dollars in cash through these various
6 sources and therefore, I don't believe there's any
7 conditions or combination of conditions that can
8 reasonably assure his appearance in court because
9 although this is obviously a significant bail package
10 that Mr. LaPinta has set forth here, \$4.5 million, for
11 someone who is involved in an alleged money laundering
12 scheme, involving amounts far surpassing that, that may
13 simply be the price of his freedom in order for him to
14 flee the country and he may have much more money that is
15 available to him in order to live, even losing \$4.5
16 million and could obviously seek to make whole anyone who
17 lost money as a result of posting something. I don't
18 know what all of their assets are, in any event, but even
19 assuming that this would be a substantial impact on their
20 financial well-being, based upon their own assets, the
21 money that he has available to him for himself and his
22 family in my view is overwhelming.

23 That's combined with what appears to be -- at
24 least again, this is based on the government proffer and
25 Mr. LaPinta I know doesn't have access to what the

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1 government is relying on but I am always willing to re-
2 open it, if Mr. LaPinta comes back to me and tells me
3 what the government has proffered about the strength of
4 the case is inaccurate but they're relying on electronic
5 surveillance, Custom border searches, undercover
6 dealings, which they proffer has the defendant directly
7 involved with being the manager of this large money
8 laundering operation and it includes recorded
9 conversations with undercovers, so it appears to be a
10 very strong case based upon the government's proffer of
11 its evidence.

12 The defendant although obviously there's no
13 mandatory minimums or anything like that in this case,
14 given the amounts that are alleged for purposes of the
15 money laundering statute and guidelines, the government
16 is estimating, he is looking at an advisory range of
17 life, although it would be limited by the statutory
18 maximum, which is for all the counts together, 65 years
19 which is a -- essentially would be a life sentence.

20 So he's facing significant penalties in what
21 appears to be a strong case, has access to enormous
22 amounts of monies, including overseas, so I don't believe
23 there are any conditions or combination of conditions
24 that could reasonably assure this Court that he will show
25 up if I were to release him on bail.

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1 On the issue of home detention, I don't view
2 that as a deterrent for somebody who really wants to flee
3 and has the money and the access to -- ability to flee
4 because nobody could -- if he was on a bracelet, he could
5 cut the bracelet and have a head start and it would be
6 very hard to find someone if they got a head start. So I
7 don't really think home detention can assure the Court
8 that he wouldn't flee.

9 I also believe, and the issue of danger
10 obviously is his -- there are no drug charges. There's
11 no alleged violence of any type. However, given the
12 nature of these charges, which involve not just money
13 laundering for any type of illegal activity -- you know,
14 the specified activity here is that it's drug proceeds
15 and I believe that the laundering of drug proceeds
16 provides the mechanism for drugs to be distributed and
17 that someone who is involved in large-scale money
18 laundering as it relates to drug proceeds does pose a
19 danger to the community.

20 And again, on bail, even from home detention,
21 it would be difficult, if not impossible to really
22 monitor whether someone was continuing to be involved in
23 that type of activity when you have such a large-scale
24 network involving so many bank accounts, inside and
25 outside of the United States, there would be no way to be

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1 able to reasonably assure that someone didn't continue
2 their involvement in money laundering, especially as I
3 said, you have an operation as to -- alleged to be of
4 this complexity and magnitude. So I am detaining him as
5 well, by clear and convincing evidence for that reason.

6 And as I said, Mr. LaPinta, this is without
7 prejudice to you or another lawyer coming back and if
8 there's something about that I relied on in my analysis
9 based upon what's been proffered to me, that over time
10 appears to not be accurate, I am always willing to look
11 at it again, all right?

12 Although I would say on this issue of
13 representation, I'm looking at the pretrial services
14 report, his assets are -- his net worth is \$1.9 million.
15 So that's obviously not going to qualify, so maybe -- I
16 know this was done quickly and maybe there is more to the
17 liabilities part of it but --

18 MR. LAPINTA: Well, most if not all of that is
19 subject to forfeiture --

20 THE COURT: Okay.

21 MR. LAPINTA: -- contained in the claim --

22 THE COURT: All right.

23 MR. LAPINTA: -- the indictment.

24 THE COURT: Well, again, you can have
25 discussion with him about that and you could submit a

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1 letter to me on it with an affidavit. We'll deal with
2 that in that way, okay?

3 MR. LAPINTA: Yes, your Honor.

4 THE COURT: All right. Ms. Bartling, you can
5 go ahead.

6 MS. BARTLING: Thank you. Your Honor, with
7 respect to my client, Abdulrahman Khwaja, he's 62-years-
8 old, as the pretrial report indicates. He is a citizen
9 of the United States. He does not have dual citizenship
10 in any other country. He's lived in New York for 35
11 years and he's actually lived at his Syosset address
12 where he owns that home since 1994.

13 He has four children. They are all here in
14 support of him and they were all born in this country, as
15 well. He is the sole supporter of his family.

16 I want to address the detention memo, your
17 Honor, from the government. With respect to the flight
18 risk, as you can see in the indictment, there is quite a
19 large amount of bank accounts and real property that's
20 been subject to forfeiture.

21 That being said, my client doesn't appear and
22 doesn't seem to have access to any financial means in
23 order to flee the country. That said, there could be
24 conditions that could be put in place such as ankle
25 monitoring or whatever needs to be put in place to ensure

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1 his return to court, being that he does not have
2 financial means to flee, he wouldn't be a flight risk.

3 More importantly, with respect to the risk of -
4 - I'm sorry, the danger to the community, as Mr. Ryan
5 discussed that these allegations here involved drugs and
6 money laundering, Mr. Ryan indicates, I believe -- I am
7 not sure if he did on the record, but had indicated at
8 one point that there was an involvement in over 13
9 surveillances. That's concerning to me that there were
10 over 13 surveillances done and if there was that large
11 number and no drug deals had gone -- happened in that
12 surveillance, I would think that a drug charge would have
13 been charged in that amount of surveillances.

14 That said, as the Court indicated, this is not
15 a presumption case. It's not a drug case at all. It's
16 actually a financial case and conditions can be met to
17 ensure his return.

18 In addition to that, most importantly, my
19 client's business is separate from Enayatullah Khwaja's
20 business. He does not have a business in Saudi Arabia
21 and the detention memo written by the government seems to
22 group the two of them together as one stronger argument
23 for a risk of flight and danger to community but if you
24 refer to page 3, the main paragraphs relating to the
25 danger to the community, the first, you specifically --

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1 which is what the Court addressed, involved meetings in
2 hotel parking lots, as well as money laundering, of drug
3 involvement.

4 My client is not a -- appears to be involved or
5 mentioned in that paragraph. In fact, he's mentioned in
6 the following paragraph where they discuss structuring,
7 which as we know, are charges related to financial crimes
8 and not of danger to the community.

9 In addition, the following sentence which I
10 believe is used to further the government's argument for
11 a danger to the community, indicates that he was stopped
12 and offered a bribe to Customs agents.

13 My concern with that being an argument that he
14 is a danger, I don't see charges that he was brought --
15 that he was arrested or charged at any point with bribing
16 of Customs agents which was obviously a crime.

17 That said, these reasons under danger to the
18 community don't seem to support a permanent detention
19 that no conditions can be met in order to return his --
20 to ensure his return to court.

21 In addition, I am able, at this point, to
22 introduce two properties as a package at this point which
23 can total approximately over \$2 million. They are not
24 related to any of the family members. They're not
25 related to any of the companies or anything listed in the

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1 subject of forfeiture here.

2 It's my understanding one of them is my
3 client's son's wife's father, if the Court followed. In
4 addition to that, the other one is my client's brother
5 who has no connection to -- anything to do with this --
6 the instant nature -- the nature of the instant offense.

7 In addition to that, your Honor, I believe that
8 there are conditions that can be met. He can be wearing
9 a bracelet. He could be forced to just contact with --
10 do business contacts within the United States.

11 In addition to that, he does not have a company
12 in Saudi Arabia. He does not need to travel. The Court
13 can put some sort of ban and we can surrender passports
14 and we can do all sorts of things in order for him to
15 maintain contact with only this jurisdiction and we're
16 able to do that. He can still support his family and
17 make a living while on home detainment.

18 And for these reasons, we believe that he is
19 not a flight risk and that he is not a danger to the
20 community.

21 THE COURT: Let me just -- before I hear from
22 Mr. Ryan, I mean you're trying to distinguish the proof,
23 I guess, from Enayatullah Khwaja's proof but there is in
24 the government's letter, they say on 13 occasions, your
25 client's companies received wires, in which agents acting

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1 as undercovers were directed by the drug dealers to
2 transport money from drug sales to those companies, in
3 order to have them sent to South America. Do you see
4 where I am reading that on page 3?

5 So there does appear to be proof that his
6 company was being utilized for drug dealers to funnel
7 money into South America, right? Or am I misreading
8 that?

9 MR. RYAN: That is correct, Judge. In those
10 particular undercover operations of the DEA and the
11 homeland security were based on completely separate
12 investigations, not involving an investigation at that
13 time, into money laundering but into the various
14 different drug operations around the United States.

15 The one commonality of all of them is that the
16 drug dealers told the undercover DEA agents or homeland
17 security agents to transfer the drug money to this
18 defendant's companies in Florida, at which point the
19 company was identified as being the primary money
20 launderer between the United States and various South
21 American suppliers and cartels that were moving cocaine
22 and heroin into the United States.

23 THE COURT: I mean, these companies that are
24 listed in paragraph 3 of the indictment, are his
25 companies. These aren't --

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1 MR. RYAN: Those are his companies that he owns
2 and controls, not Mr. Enayatullah -- not the co-
3 defendants.

4 THE COURT: All right.

5 MR. RYAN: It's all part of the same conspiracy
6 but this is what the -- it's split up in the letter as to
7 the particular conduct of each set of companies that they
8 control.

9 THE COURT: Okay. I don't know if you want --
10 is there anything -- before I make a decision, is there
11 anything else you want to respond to that Ms. Bartling
12 said?

13 MR. RYAN: No, Judge, I would just repeat the
14 arguments of pretrial services and the standards and
15 findings that you found for the co-defendant.

16 THE COURT: All right. I don't know if you
17 want to address that point.

18 MS. BARTLING: No, your Honor.

19 THE COURT: Okay. I'm also detaining
20 Abdulrahman Khwaja. I'm not going to repeat all the
21 grounds that I have already stated. Almost everything I
22 said with respect to Enayatullah Khwaja applies to
23 Abdulrahman Khwaja in terms of, you know, his sentence,
24 the exposure he faces, the strength of the case and the
25 nature of the alleged scheme, in terms of the funneling

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1 of vast sums of money overseas, millions and millions of
2 dollars, the government puts in the letter, that with
3 respect to this particular defendant, there was
4 structuring over \$3 million into numerous bank accounts,
5 over \$32 million dollars in third-party transactions
6 passed through his companies returning to South America.

7 So all of those reasons apply and although
8 again, that's a significant package and one distinction
9 is that he does not have any type of status in a foreign
10 country, as the co-defendant doesn't have a business
11 overseas, I don't think that that impacts the Court's
12 overall analysis that there are no conditions or
13 combination of conditions that can reasonably assure that
14 Abdulrahman Khwaja would appear in court and again, my
15 analysis with respect to home detention, bracelets is the
16 same. I don't think that they will prevent someone who
17 wants to flee and has the ability to flee financially and
18 otherwise, and so I don't believe that that addresses the
19 Court's concerns.

20 I do also find for the same reasons that he is
21 a danger to the community by clear and convincing
22 evidence based upon the nature of the charges, combined
23 with the government's proffer, that drug dealers on more
24 than one occasion, 13 different occasions, were directing
25 an undercover, posing as a drug dealer, that the money

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1 should be funneled through this defendant's companies.

2 So I believe for the reasons already indicated,
3 that large-scale funneling of drug proceeds creates a
4 danger to the community because it allows the drug
5 business to flourish. So for those reasons, I am
6 detaining him on both grounds. All right?

7 And Mr. Obedin?

8 MR. OBEDIN: Thank you, your Honor. First I
9 would like to point to the pretrial report and their
10 recommendation which is that Ms. Rhamatzada be released
11 on a substantial bond secured by property and co-signed
12 by responsible sureties, of which we have both with a
13 number of conditions, which we agree with and consent to
14 and feel are significant enough to ensure that she will
15 return each and every court date and not be a danger to
16 the community or a risk of flight.

17 She has lived here in the United States for
18 over 30 years. She is a U.S. citizen, as is her husband,
19 as are her children, as are all her family who all live
20 here on Long Island. She has no ties to any foreign
21 country.

22 Again, she has four children ages 16, 14, 12
23 and 8 and I would say, your Honor, that any risk of
24 flight is canceled out by the fact that she would
25 certainly not leave her children behind and it would not

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1 be so easy for an individual to take an entire family and
2 flee, while it might be easy for one person individually
3 to do that.

4 With regard to the government's letter, when
5 they speak of danger to the community, they specifically
6 do not indicate that she is a danger to the community.
7 They speak specifically of the two gentlemen who have
8 already had their bail applications heard by the Court
9 and I believe that that is correct. Clearly,
10 individually on her own, she is not a danger to the
11 community. She -- even by the allegations, was not an
12 organizer, was not a manager, did not run these
13 businesses, even based on the proffer of the government
14 and the indictment, she worked there, did paperwork for
15 the company.

16 I have three homes, none of which are part of
17 the forfeiture allegations in the indictment. The first
18 being her own home, where she lives with her husband who
19 is here and her four children. That home has
20 approximately \$800,000 in equity.

21 Then there is her brother who lives in
22 Farmingdale. He is a doctor at St. Catherine's Medical
23 Center. His wife is also an M.D. here on Long Island.
24 They live in their home with four young children and
25 their home is also worth approximately \$800,000 in

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1 equity.

2 And finally, her husband's brother who lives in
3 Kings Park with his wife and their child and that home is
4 worth approximately \$650,000, so that's approximately
5 \$2.1 or \$2.2 million.

6 THE COURT: Wait, who is the last one? What
7 relationship?

8 MR. OBEDIN: That's her brother-in-law. It's
9 her husband's brother --

10 THE COURT: Okay.

11 MR. LAPINTA: -- who lives in Kings Park. None
12 of those individuals are -- have anything to do with this
13 -- the allegations in these indictment and they are
14 prepared to put up their homes and sign personally on her
15 behalf.

16 I think given those circumstances, the fact
17 that pretrial makes their recommendation and we are in
18 agreement with all of the conditions, I think that is a
19 substantial enough package to ensure the safety of the
20 community, ensure that she will remain here in the
21 Eastern District of New York and I would ask your Honor
22 to grant that package.

23 THE COURT: All right. Mr. Ryan?

24 MR. RYAN: Judge, the defendant is president of
25 two of the companies in which the undercover operations

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1 of the agents were involved in transporting the money,
2 the agents in Florida that are owned by Abdulrahman.
3 She's the president of those companies and involved in
4 that, as an officer.

5 Also the pretrial services report indicates
6 that she is a -- has an ownership interest in 10
7 companies that she knows nothing about and could not give
8 values for or even names for, other than one.

9 It's our belief that these are, based on what
10 we have been able to trace out and the way that Khwaja
11 family distributes monies amongst themselves from the
12 companies, that we have been able to seize or lien the
13 bank accounts of, that this is all subject to potential
14 forfeiture and seizure and we would -- this package would
15 need to be reviewed and detailed by the agents and myself
16 before we could even come to a reasonable determination
17 as to whether it's acceptable or not.

18 And so we don't believe that a bail package
19 could be set today, given the lack of background and
20 information that has been provided to us at this late
21 date.

22 THE COURT: Well, let me just -- in terms of, I
23 know you say that -- she is the president of the
24 companies but the indictment alleges that she is
25 basically a bookkeeper, right? You're not alleging that

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1 she is --

2 MR. RYAN: Yes, but, Judge, the nature of the
3 booking is the -- when the customs audit occurred within
4 the last year in Florida, the way the nature of the books
5 are, they could not identify the source of funds for the
6 various shipments or the -- they were unable to identify
7 who -- the people who were paying for whatever shipments
8 they were making, were not the people who were receiving
9 it. It was all third-party payments and they were not
10 able -- the way the books are kept is they're moved from
11 company to company within the Khwaja enterprise, so that
12 it's impossible to tell who is the ownership or who is
13 the control, or who is the nature of the money that it
14 comes from.

15 And we do know from other indictments and other
16 arrests we've made, that the true ownership of the money
17 is completely different third parties who have been
18 ordered or directed the money be sent to the Khwajas, to
19 then be shipped as phones to South America where it's
20 sold and delivered to them.

21 She is the one that maintains the double sets
22 of books and records that help show who the true owner of
23 and the person that they have to get the money to is,
24 which is separate and apart from what they report to
25 Customs and what they report in any of the shipping

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1 labels or any of the other public records that have been
2 available.

3 So her position puts her in a position to know
4 that they're money laundering, to know that the money is
5 not going to the people that they're shipping the phones
6 to.

7 THE COURT: What's the nature of your proof
8 against her?

9 MR. RYAN: The nature of the proof again is
10 both the electronic eavesdropping that we have occurred,
11 as well as the audit that was made by the Customs
12 individuals of the companies that she is president of and
13 that she was involved in in Florida, as well as the fact
14 that third-party deliveries of bulk cash had been made to
15 companies under her control.

16 THE COURT: What evidence do you have regarding
17 her sharing the proceeds? I know you said she has an
18 ownership interest in the ten companies but what do you
19 know about her sharing in the proceeds?

20 MR. RYAN: It's our understanding that the --
21 we don't have -- and that's what the search today will
22 help uncover but we do know how the family distributes
23 ownership is in sort of a pro rata sharing business,
24 based on the family -- that's why -- it's a closely-held
25 family corporation, Judge.

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1 THE COURT: What search warrants are you doing
2 today?

3 MR. RYAN: Today, we're doing search warrants
4 on all the companies here on Long Island, which is listed
5 on -- in the indictment on paragraph 2 and 3, and all the
6 companies in Florida are also being searched as we speak.

7 THE COURT: All right. Do you want to respond
8 to that, Mr. Obedin? Is there anything you want to
9 respond to? I do have concerns about ownership in ten
10 companies and that gives me some pause.

11 MR. OBEDIN: Yes, your Honor. That's something
12 that is mentioned apparently in the pretrial report.
13 It's not mentioned in the government's proffer. It's not
14 mentioned in anything that they're directly stating to
15 the Court in regards to being a danger or a risk of
16 flight.

17 And I don't believe that Mr. Ryan has given you
18 anything than generalizations regarding that now. You
19 certainly didn't given any specifics regarding my client.
20 He gave some generalizations that this is how the
21 "family", he uses that I guess, "family" maintains their
22 closely held businesses but my opinion is the same as
23 what your reaction was, that she is really a bookkeeper
24 and if she is listed as president, that's certainly in
25 name only.

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1 THE COURT: All right. This is what I am going
2 to do. First of all, I don't think based upon the
3 indictment and the government's proffer in their letter,
4 they don't -- there's really no -- there's insufficient
5 evidence that she is a danger to the community based upon
6 her involvement in a much larger scheme. It appears
7 whatever her title is, that she acts at the direction of
8 other family members, including the co-defendants. So I
9 don't really have a concern that especially when them
10 being detained, that if I were to release her, that
11 somehow she would run, you know, a vast money laundering
12 operation on her own.

13 So I am not going to detain her based upon risk
14 of flight (sic) but I am going to detain her, at least
15 for today, as a -- I'm not going to detain her as a
16 danger to the community but I am going to detain her as a
17 risk of flight because first of all, obviously the
18 exposure that she is facing, even though she is not the
19 head of this alleged operation, is still going to be
20 significant and my biggest concern at this point, is just
21 to get a better understanding of what access, based upon
22 her involvement in these companies, she would have to
23 large sums of money at this point.

24 Based upon the proffer, although it is
25 certainly not detailed, there is a concern that this bail

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1 package, although it's significant, may not be adequate
2 to reasonably assure that she will appear in court
3 because of her position with these other companies and
4 ownership interest in these companies and potential
5 access to larger sums of cash, so if -- I am going to ask
6 that this counsel, that you put on the record, that he
7 come tomorrow, I am going to ask the government -- I am
8 going to want more detail, Mr. Ryan, tomorrow with
9 respect to Ms. Rahimi (sic) because I think this is
10 obviously a much closer question on risk of flight,
11 given --

12 MR. OBEDIN: Your Honor, excuse me, it's Ms.
13 Rhamatzada.

14 THE COURT: I mean -- I am sorry, it's late.
15 Ms. Rhamatzada. So, I think the government is going to
16 have to come back with more detail and maybe after
17 speaking to Mr. Obedin or her retained counsel, there
18 might be a way of addressing whatever concerns the
19 government has with additional security. This seems to
20 be substantial to me and maybe sufficient, absent some
21 either result of the searches today. I don't know how
22 much information you'll get quickly or more detailed
23 information from the government that she has in bank
24 accounts or elsewhere, access to large amounts of cash.
25 If the government doesn't supply that, my intention would

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1 be to release her either on this package or something
2 close to it with home detention and electronic
3 monitoring, okay? Understood?

4 MR. RYAN: Absolutely, Judge.

5 THE COURT: All right. So we'll put it on for
6 tomorrow for that defendant only. Obviously, no one else
7 -- I'm not going to have any of the other defendants
8 produced tomorrow.

9 What time, Michelle?

10 THE CLERK: 1 o'clock.

11 THE COURT: 1 o'clock for Ms. Rhamatzada.

12 MR. OBEDIN: Okay.

13 THE COURT: So I am entering the temporary
14 order of detention until tomorrow. All right.

15 Are there any other issues today from the
16 government?

17 MR. RYAN: No, Judge. I believe that
18 completes --

19 THE COURT: I'm going to ask you -- you
20 submitted the order and said it's going to be on an
21 oral --

22 MR. RYAN: Except for the unsealing --

23 THE COURT: Yeah, I want you to put in a
24 written application rather than just --

25 MR. RYAN: All right.

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1 THE COURT: Okay?

2 MR. RYAN: I will submit one tomorrow, Judge.

3 THE COURT: All right. Anything else from any
4 defense counsel? And again, for the counsel who may want
5 to stay in the case, you have to discuss with the
6 defendants and their family whether or not they really
7 can qualify and I will wait to hear back from you, okay?

8 MR. NELSON: Your Honor, I would only note that
9 during the course of the detention hearings, I did have
10 the opportunity to complete a financial affidavit with my
11 client that I submitted to the Court.

12 THE COURT: Okay. Let me look at it.

13 (Pause)

14 THE COURT: So the home is -- what's the equity
15 in that home?

16 MR. NELSON: It appears to be somewhere in the
17 area of \$600,000, your Honor.

18 THE COURT: And the annual income is \$60,000,
19 is that --

20 MR. NELSON: It's approximately \$60 to \$70,000
21 a year.

22 THE COURT: Yes, I mean to me that's a large
23 sum of money we're talking, both in terms of income and
24 I'm trying to read the top part here, because the \$60,000
25 is other income?

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1 MR. NELSON: That is dividend income she
2 receives and then she receives approximately \$4 to \$5,000
3 a month in income.

4 THE COURT: Yes, I am not sure she is going to
5 be able to -- if you home that has over \$500,000 in
6 equity and \$60,000 a year coming in in other income, I
7 don't think that qualifies. All right?

8 MR. NELSON: I will appear at the next
9 appearance, your Honor, and I guess a definitive decision
10 will be made.

11 THE COURT: Yes, you'll continue in the case
12 until she can find someone but obviously, she should
13 start looking, okay?

14 MR. NELSON: Yes.

15 THE COURT: All right. Anything else?

16 MR. LAPINTA: Nothing, your Honor.

17 THE COURT: All right. Thank you.

18 (Matter concluded)

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C E R T I F I C A T E

I, LINDA FERRARA, hereby certify that the foregoing transcript of the said proceedings is a true and accurate transcript from the electronic sound-recording of the proceedings reduced to typewriting in the above-entitled matter.

I FURTHER CERTIFY that I am not a relative or employee or attorney or counsel of any of the parties, nor a relative or employee of such attorney or counsel, or financially interested directly or indirectly in this action.

IN WITNESS WHEREOF, I hereunto set my hand this 20th day of November, 2018.


Linda Ferrara

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